

SERVICE DATE – LATE RELEASE MAY 31, 2018

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36187

PASSAIC STREET PROPERTIES, LLC—ACQUISITION AND OPERATION  
EXEMPTION—NEW YORK & GREENWOOD LAKE RAILWAY

Decided: May 31, 2018

On May 2, 2018, Passaic Street Properties, LLC (PSP), a noncarrier, filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire and operate approximately 1.75 miles of rail line, known as the Dundee Spur, extending from milepost 0.0 in Garfield, N.J., to milepost 1.75 in Passaic, N.J. (the Line). The exemption is scheduled to become effective on June 1, 2018. PSP states that it purchased the track and land after the Internal Revenue Service put the property up for bid due to the failure of the current rail carrier, New York & Greenwood Lake Railway (NYGL), to pay federal income taxes. (PSP Verified Notice of Exemption 2.) PSP states that it intends to file for abandonment to develop the property for housing, other non-industrial uses, and a park area. (*Id.* at 4.)

On May 10, 2018, NYGL filed a petition to reject PSP's verified notice on the grounds that the transaction is controversial and that the verified notice contains materially false and misleading information. (NYGL Pet. to Reject 2-3.) On May 30, 2018, PSP filed a reply to NYGL's petition to reject. Generally, the parties disagree about the scope of the Board's jurisdiction in the present scenario, NYGL's and PSP's respective rights on the Line, and how essential the Line is for the shipping community.

To provide sufficient time for the Board to fully consider the arguments presented, the effective date of the exemption will be postponed until further order of the Board.

It is ordered:

1. The effective date of the exemption is postponed until further order of the Board.
2. This decision is effective on its date of service.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.